

## Gallagher Amendment – What is that?

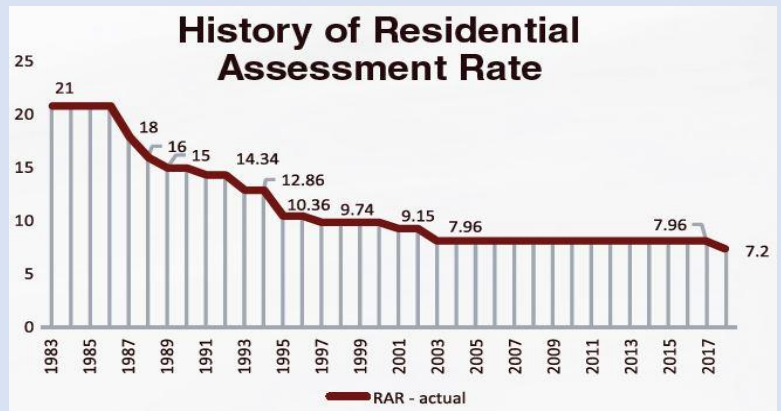
Election Time is around the corner – Tuesday, November 5, 2019

Brook Forest Water District has an item on the ballot – 6A and needs your vote!

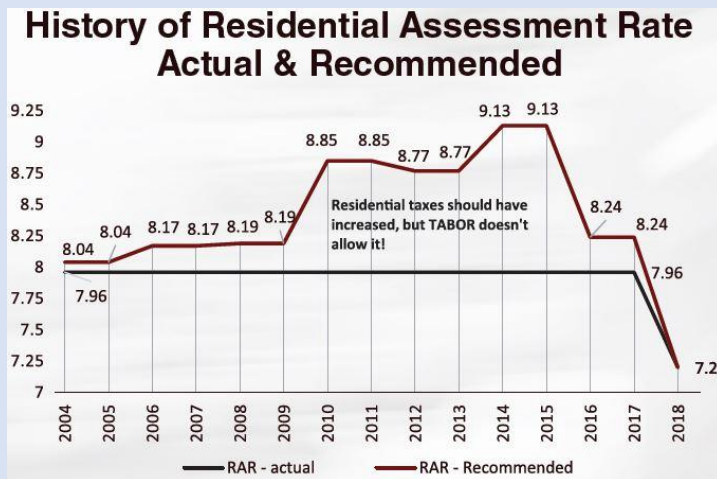
What is the residential assessment rate and how does it impact taxes?

A property owner is not taxed on the total appraised value of his or her property. Since becoming law in 1982, the Gallagher Amendment has required non-residential property (i.e., commercial, industrial, agricultural, vacant land, etc.) to be taxed at 29% of its actual appraised value. In 1982, residential property was taxed at 21% of its actual appraised value, which is commonly referred to as the residential assessment rate.

However, the **Gallagher Amendment** requires the Colorado Legislature to adjust the residential assessment rate in every odd year to ensure residential property owners pay no more than 45% of the total property tax burden in the State of Colorado.



Due to the steady increase in residential property values in the State, from 1982 to 2003, the residential assessment rate dropped from 21% to 7.96% where it stayed until 2017. Then in 2017, the Colorado legislature further reduced the residential assessment rate to 7.2%.



**What does this mean for Brook Forest Water District?**

BFWD currently receives approximately 50% of budgeted revenue from property taxes. If the District's property tax revenue source was decreased due to a decline in the residential assessment rate the District would have a hard time paying vendors for services (i.e., utilities,

water main break repairs, general maintenance and repairs, etc.). Estimates have shown that the residential assessment rate could drop as low as 6.2%. The preliminary assessed valuation for the District's 2020 budget will generate an estimated \$206,024 in property tax revenue, the residential assessment rate is set at 7.65%, however, if the residential assessment rate was 6.2% instead of the 7.65% for budget year 2020, a loss of approximately \$39,062 would be taken by the District in property tax revenue received.

**Voting for Ballot Issue 6A** – You are authorizing Brook Forest Water District to stabilize revenue with an increased mill levy to keep property tax revenues it will lose if the Gallagher Amendment forces further reductions in the residential assessment rate. In the future, if the Gallagher Amendment requires the residential assessment rate to be increased, Brook Forest Water District would be required to reduce its mill levy. This concept is referred to as “de-Gallagherizing”.

OCTOBER 2019– 4TH QUARTER NEWSLETTER

NEWSLETTER

**50 Amazing Facts About Water – Sometimes Interesting – Sometimes Disturbing:**

Brought to you by the ESP Water Products website [www.espwaterproducts.com](http://www.espwaterproducts.com), we are going to share with you 50 amazing facts about water over the course of the next few issues of our newsletter – (1-40 can be found in prior Newsletters):

- 41. Freshwater animals are disappearing five times faster than land animals.
- 42. Each day the sun evaporates a trillion tons of water.
- 43. The weight a person loses directly after intense physical activity is weight from water, not fat.
- 44. It takes 5,680 liters or water (1,500 gallons) of water to process one barrel of beer.
- 45. At birth, water accounts for approximately 80 percent of an infant’s body weight.

**Online Bill Payment Option:**

There has been a lot of interest by our customers for the District to offer an online bill payment option. With the increase in late payment fees that began July 1, 2015, we began to offer online bill payment through our website approximately August 1, 2015. There will be a \$2.50 convenience fee that the customer will have to incur if you wish to pay online rather than to pay by check. The \$2.50 fee seems a lot less than getting assessed \$20 for late payment of your quarterly invoice.

**District Board Meetings:**

Board meetings are always open to the public. They are held the 2nd Tuesday of the month at 7pm and are held at the library of Buffalo Park Church of the Hills, 28628 Buffalo Park Rd., Evergreen, CO 80439.

**Late Fee and Rate Reminder:**

Please be advised, at the June 2015 Board meeting the Board of Directors approved an increase in certain rates (see attached “Appendix A” of the District Rules and Regulations). The quarterly Water Service Charges (\$120) and Readiness-to-Serve fees (\$60) will remain the same, however please note the main change to the rates is how the **Late Fees** will be charged. Currently the cost of paying your quarterly invoice after the first 30 days of it being mailed to you is only a 1% monthly fee; however, beginning **JULY 1, 2015**, if a payment is made after the first month a \$20 late fee will be assessed and invoiced. If a quarterly invoice is not paid after an additional 30 days, a \$30 additional fee will be assessed and invoiced. If a payment is 90 days delinquent your water will be shut off and additional fees will be assessed.

Please review “Appendix A” and if you have any billing questions please call our offices anytime.

The new rate structure has been put into place because of the number of outstanding customer account balances and late payment on customer accounts that the District has been experiencing.

Thank you,

*The Board of Directors,*

- Bill Weisenborn, President*
- Tony Langowski, Vice President*
- Bruce Nicklow, Treasurer*
- Ilse Ramsey, Director*
- Alice Sears, Director*